

National Petroleum Reserve – Alaska Impact Program
CFDA Number Not Assigned
Department of Community and Economic Development
Program 13

I. PROGRAM OBJECTIVES

The primary objective of the NPR-A Impact Program is to provide municipalities with financial assistance to help mitigate significantly adverse impacts related to oil or gas leasing within the National Petroleum Reserve - Alaska, including exploration, production and oil or gas transportation activities conducted under the authority of 42 U.S.C. 6508.

The program uses federal pass through money and the audit should be conducted in accordance with federal audit requirements.

II. PROGRAM PROCEDURES

Funds are awarded annually on a competitive basis to **eligible** municipalities. Priority in funding is awarded to municipalities which are most directly or severely impacted by development of oil or gas in the National Petroleum Reserve - Alaska. Applicants must demonstrate the relationship between the NPR-A activity and an identifiable impact, and the relationship between the impact and the grant request.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES
A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Grant funds may only be used for the following activities and services to alleviate the impact of oil and gas leasing under 42 U.S.C. 6508 within the NPR-A: 1) planning; 2) construction, maintenance, and operation of essential public facilities by the municipality; and, 3) other necessary public services by the municipality. Chapter 53, SLA 1986; 3 AAC 150.010

The grant agreement will specify the types of activities and services which are to be provided with the funds.

Suggested Audit Procedures

- Review the grant agreement, identify the types of activities and services to be provided, and test financial and related records to determine the purpose for which the funds were expended.

B. ELIGIBILITY

The auditor is not expected to make tests for eligibility.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirements

The grant agreement will specify any matching, level of effort and/or earmarking requirements the recipient is to adhere to.

Suggested Audit Procedures

- Review the grant agreement, identify any matching, level of effort and/or earmarking requirements, and verify that the requirements were met.

D. REPORTING REQUIREMENTS

Compliance Requirement

The grant agreement will specify the type of reporting requirements.

Suggested Audit Procedures

- Review the grant agreement, identify the reporting requirements, obtain copies of reports and determine completeness of reporting.
- Trace data in selected reports to underlying documentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

Grant activities must occur within the start and end dates of the grant agreement and any amendments.

Suggested Audit Procedures

- Review the grant agreement and any amendments and review grant related activities to verify they were within the end and start dates.

Compliance Requirement

Site control must be demonstrated for capital projects, facilities, or other forms of property that are built, acquired, or used in capital projects.

Suggested Audit Procedures

- Review documentation maintained by the grantee in support of control of the site for the capital project, facility or other form of property and verify the documents demonstrate adequate control to allow the grant activities.

Compliance Requirements

The grant agreement will identify any special compliance requirements the municipality is to adhere to.

Suggested Audit Procedures

- Review the grant agreement, identify any special compliance requirements, and verify the requirements were met.

Modified 5/02